



**Douglas W. Schoenberger**  
Government Affairs Director  
International

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1120 20<sup>th</sup> Street, NW  
Washington DC 20036  
202-457-2118  
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December 11, 2002

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room TWB-204  
Washington, DC 20554

Re: International Settlements Policy Reform (IB Docket No. **02-234**)  
International Settlements Policy (IB Docket No. 96-261)

Dear Ms. Dortch:

Attached find letters received by AT&T from China Telecom, China Netcom, and China Unicom attempting to unilaterally set a price floor of \$.17/minute for all AT&T traffic terminated in China by these carriers. Please include these letters as **part** of the record in the above-referenced proceedings.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "D. W. Schoenberger", with a long horizontal flourish extending to the right.

Attachments  
cc: L. Choi



Dear Sir or Madam:

We would like to inform you that a notice recently issued by the Ministry of Information Industry (hereinafter referred to as "MI") stipulates all the termination rates applied to traffic from all countries and regions to China should not be less than \$0.17 per minute, effective from 1 November 2002. China Telecom must comply with the MI's provisions. Therefore, we would make revisions according to MI's relevant provisions.

Except the above mentioned revisions, China Telecom could maintain the other conditions and items regarding the accounting unchanged. If you have any questions, or if you want to make revisions accordingly, please contact me for relevant renegotiation.

Best Regards,

A handwritten signature in Chinese characters, which appears to be '欧岩' (Ou Yan).

Ou Yan  
Director  
International Services Division  
International Affairs Department  
China Telecommunications Corporation

TOTAL P.02

10/28/02 MON 22:08 [TX/RX NO 8897] 002

To: ~~XXXXXXXXXX~~

NOTICE

Oct 28, 2002

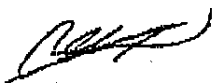
Dear Sir/Madam,

PLSASETAKE NOTICE that In accordance with the newly issued policies of the Ministry of Information Industry of the People's Republic of China(MII Order [495]), the tariff for International termination service shall be adjusted to no less than USD 0.17 per minute as of November 1<sup>st</sup>, 2002.

In accordance, we inform you that the termination rate lower than USD 0.17/min in our agreement, shall be adjusted to USD 0.17/min, while the rate higher than the regulatory benchmark will keep unchanged. The adjustment will be conducted starting at 00:00 GMT+8 Nov 1, 2002.

We are sorry for the short notice and any inconvenience this may cause to you. However, we cannot but abide by the regulations of the state authorities. If you have any question, please feel free to contact us.

Thanks.



(Signature)

China Netcom Corporation Limited

**Urgent**



China Unicom Corporation Limited  
No.133A Xidan North Street, Xichang District, Beijing,  
P. R. China 100032  
Tel: +86 10 66305588  
Fax: +86 10 66114366  
October 28, 2002

Mr. Oliver Ye  
AT&T  
Tel: tB6 10 65058118 ext 2015  
Fax.: + E6 10 65058666

**Notification of New Rate for China Termination Traffic**  
**Effective from Nov. 1, 2002**

Dear Mr. Ye,

This is to inform you that China Unicom's rate for China termination traffic will be no less than US\$0.17/min. from Nov. 1, 2002 for keeping order of the market. Your understanding and cooperation will be highly appreciated.

In order to strengthen the cooperation between our two companies, we would like to have discussion with you in recent days to seek for mutual development. Your confirmation on the meeting time will be quite helpful. Thanks!

With *Best* Regards,

International Business Division  
Data & Fixed Communications Dept.  
China Unicorn Corp. Ltd.

TOTAL P.02

10/29/02 TUE 02:41 [TX/RX NO 88801] 0002